

STATE OF RHODE ISLAND
CENTRAL COVENTRY FIRE DISTRICT
OFFICE OF THE RECEIVER
1 CAPITOL HILL
PROVIDENCE, RI 02908
CCFD.RECEIVER@REVENUE.RI.GOV

Public Hearing
Tuesday, April 14, 2015 at 5:30 PM
Coventry Town Hall Annex Building
1691 Flat River Road, Coventry, RI 02816

In attendance: Receiver Mark A. Pfeiffer, Attorney Timothy Cavazza, Heather Martino,
Lawrence Sprague, Fire District Administrator/Chief Shawn Murray

Minutes of Public Hearing

1. Call to Order – 5:30 P.M.
2. Presentation of Collective Bargaining Agreement between the Central Coventry Fire District and International Association of Fire Fighters Local 3372, through August 31, 2020
 - I. Judge Pfeiffer starts his presentation by stating that this is the opportunity to present the collective bargaining agreement reached by the Receiver and the union. The District is in Chapter 9 bankruptcy proceedings, which is designed to restructure the finances of the district, so we can have financial stability not only now but 5/6 years in the future. The first cornerstone to financial stability is to have a collective bargaining agreement that is affordable to the District, and which in this case involves major concessions by the union given the financial difficulties of the District. He introduced the members of the Receiver's team:
 1. Shawn Murray - Fire Chief
 2. Tim Cavazza - Labor Attorney
 3. Heather Martino – Department of Revenue
 4. Larry Sprague – Department of Revenue

This is the first step to get us through the restructuring that is needed to put the District on a solid course. In the bankruptcy proceeding we will also have the responsibility of restructuring the District's debt in such a way so that it will work for the 5 years into the future. We will present the Collective Bargaining Agreement through a PowerPoint presentation. Copies of the presentation are on the table and

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more copies will be delivered. Following the presentation of the CBA, I will have a comment period where you are welcome to make comments. Please identify yourself into the microphone and try to limit your remarks to 5 minutes so that everyone has an opportunity to be heard. The CBA is also posted on the District's website.

One final comment: this came up at the last meeting of the Board when I advised them as to the progress that had been made as of that point, but I will say it again: I know this is a difficult process for everyone. It is certainly difficult for the Board because they are removed from this responsibility by law under the Fiscal Stability Act with the appointment of the Receiver and the Chapter 9 petition, that responsibility falls on us. I know this is frustrating. I know it is a difficult period for the union because they have made significant concessions to get to where we are. Finally, it is certainly a difficult time for all of you, because you are the taxpayers of the District and all of you have to pay for all that this entails. I appreciate that there will be different points of view regarding perhaps every aspect of this agreement, and that is fine, but I would hope that as we have that discussion that there is some in the way that we approach it.

We will proceed with the PowerPoint presentation. Mr. Cavazza will discuss the contract changes, Mr. Sprague will discuss the huge savings to the District, and Ms. Martino will show how we have held the line on taxes as promised by the Director of Revenue, and she will show how a 2% increase on taxes will affect a typical household in the District. We will get to the comment period at the end.

II. Timothy Cavazza presented the major changes made in the CBA

A. Schedule changes

1. Reorganize Department into 3 Platoons, compared to prior 4 Platoons
2. Schedule is 56 hours on the 3 platoon compare to 42 hours on the 4 platoon.
3. Results in 33% increase in firefighters' regularly scheduled hours

B. Staffing changes

1. Minimum Manning – reduce to 8 firefighters on duty at all times.
2. Reduction of 20% from 10 to 8 firefighters.
3. Reduction from 45 union firefighters to 36 firefighters.
4. Officer Complement – reduce to 3 Captains and 9 Lieutenants. Previously, CBA called for 4 Captains and 16 Lieutenants.
5. Reduction in officers will be 40%. Reduction will occur through attrition.
6. Fire Chief – Removed restrictions requiring District to hire Chief from within the bargaining unit. The District now has the right to hire the

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Fire Chief

C. Medical Insurance

1. Increased medical insurance deductible from \$1,500/\$3,000 to \$2,000/\$4,000
2. Increased employee contribution from 0% of deductible to 100% of deductible
3. Eliminated co-pays and co-insurance in excess of deductible (were funded by District)
4. Employees pay a co-share (portion of plan premiums) instead of former flat contribution of \$10 per week (indiv) or \$20 per week (family)
5. Employees pay 10% co-share until Trust membership is effective (target 6/1/2015)
6. 15% savings in medical and dental premiums (over \$200,000 in FY16)
7. Medical buybacks reduced from ½ of premium (\$2,954/\$7,975 previously) to \$2,000/\$4,000
8. Savings to the District is in the amount of 11-18 thousand dollars per month.
9. Dental insurance plan changed to less expensive option through Delta Dental
10. Eliminated the Vision insurance payments (\$200 per employee annually).
11. After taking to bid the Life Insurance we reduced the cost by 33%.

D. Retiree Health Insurance

1. Now we moved from a defined benefit plan to a defined contribution plan, or a Post-Employment Health Plan (PEHP), similar to a 401k
2. Reduced contributions to each eligible employee's defined contribution Post-Employment Health Plan from 9.5% in FY 2014
 - a. Firefighters hired prior to 1/1/2005: 3% of base salary
 - b. Firefighters hired between 1/1/2005 and 9/1/2014: 1.75% of base salary
 - c. Firefighters hired on or after 9/1/2014: 1% of base salary
3. Injured on the Job (Accidental Disability) - previously they had free lifetime family coverage and now they have:
 - a. Option to purchase up to 15 years of individual health insurance coverage
 - b. Limited to 15 years or until Medicare eligibility
 - c. Retiree pays 25% of premium co-share
 - d. Restrictions on eligibility (other insurance; income limits)
 - e. Limited family coverage if totally disabled (unable to perform any

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work), with 25% co-share.

4. Injured off the Job (Ordinary Disability) – previously they had free lifetime individual coverage and now they have the option to purchase up to 15 years of health insurance coverage but must pay the full cost of the premium

E. Changes in Union Wages:

Fiscal Year	Before	After
2013	2% (4/1/13)	0%
2014	2% (4/1/14)	0%
2015		4% owed + 2% April-August
2016		3%
2017		2%
2018		3%
2019		3%
2020		0% (3% on 8/31/2020)

1. There is no salary increase in FY20, but on the last day of that fiscal year, 8/31/20, there is a 3% increase. That protects the District in FY21 from having to negotiate a salary increase because it's already set at 3% for that year.
2. Longevity eliminated (over \$200,000 savings annually)
3. EMT Incentive Pay eliminated (over \$52,000 savings annually)
 - a. EMT-Cardiac: \$40 per week
 - b. EMT-Paramedic: \$60 per week
4. Shift Differential Pay eliminated (\$75 per holiday)
5. Clothing Allowances reduced from \$1,200 per year to:
 - a. \$700 per year starting in second year
 - b. \$1,200 advance to new hires for initial uniform
6. Overtime Containment

Historical Overtime Expenses:

FY11 - \$850,092
FY12 \$524,569
FY13 - \$379,902
FY14 - \$387,785
FY15 (thru 03/31/15)-\$276,321

Projected Overtime Expenses:

FY15 - \$320,261
FY16 - \$154,500

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FY17 - \$157,590

FY18 - \$162,318

FY19 - \$167,187

FY20 - \$167,187

7. Implementation of Fair Labor Standards Act governing calculation of overtime pay: employees must actually work more than 212 hours in a 28-day period to receive OT payments
8. If District spends \$120,000 on OT in any fiscal year, subsequent hours worked in excess of 212 paid at straight-time instead of time-and-a-half
9. Administrative staff exempt from overtime
10. Vacation leave and compensatory leave restricted to 2 firefighters at a time (previously allowed up to 6 per shift)
11. Compensatory time no longer accrued; may be discharged only if it does not result in OT
12. Personal leave may not be used if it results in OT
13. Family Illness leave reduced 50%, from 144 hours to 72 hours per year
14. Leave transfers prohibited; transfers within the past year modified
15. Swap time prohibited if it results in OT
16. Holiday Pay:
 - a. Eliminated 6 holidays in FY2015 & FY2016
 - b. Holidays restored and paid at a rate of 12 hours per holiday beginning in FY201
17. Tuition Reimbursement: reduced from a total of \$10,000 per year in the aggregate to \$5,000 per year in the aggregate
18. Outside Training Reimbursement: reduced from a total of \$10,000 per year in the aggregate to:
 - a. \$2,000 in FY2015 - FY2018
 - b. \$5,000 in FY2019 & FY2020
19. Unused vacation leave: no longer paid out annually; paid in accordance with state law upon separation of employment
20. Unused sick leave: paid out at 25% upon separation of employment with at least 15 years of continuous service; 50% with at least 20 years of continuous service (reduced from 75%)
21. TDI has been removed

F. These have been the major cost drivers for the District.

III. Lawrence Sprague presented the resulting savings to the District:

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- A. Union wages included salary increases, longevity, and incentive pay under the prior CBA (FY 13,14 & 15)
 - B. FY15 wages are lower than contractual wages under the former CBA, as a result of reductions made during Special Mastership and Receiverships
 - C. Concessions result in total wages in FY2020 that are 29.7% less than the total wages paid in FY2012, eight (8) years earlier
 - D. Under the new CBA you see the drastic savings: if you compare FY12 to FY20 you can see that union wages are \$800,000 lower in FY20
 - E. Total union concessions: FY 12 – FY20 you can see over \$2,000,000 in savings that's directly from the firefighters.
- IV. Heather Martino presented the impact of tax increases on the typical household
- A. Tax levy increases limited to 2% per year from FY2016 – FY2020
 - B. Residential property valued at \$150,000:
 - 1. Homeowner is paying \$411.38 in taxes in FY2015
 - 2. FY2016 – FY2020: homeowner will pay an additional \$8-9 per year
 - C. Residential property valued at \$200,000:
 - 1. Homeowner is paying \$548.51 in taxes in FY2015
 - 2. FY2016 – FY2020: homeowner will pay an additional \$10-12 per year
 - D. Residential property valued at \$250,000:
 - 1. Homeowner is paying \$685.63 in taxes in FY2015
 - 2. FY2016 – FY2020: homeowner will pay an additional \$13-15 per year
3. Public Comment – comments and questions were taken from the public beginning at 6:22 P.M.
4. Adjourn – the hearing was adjourned by the Receiver at 7:44 P.M.

Draft Minutes prepared by:



Heather L. Martino

Posted 5/19/2015

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